

Los Alamos National Laboratory ³/₄ Supplemental Instructions

Section: 1 General Policies

Subject: 1.2 Delegation of Procurement Authority

PURPOSE:	This Supplemental Instruction (SI) establishes the authorities and responsibilities of the procurement staff.
POLICY:	Authority to make contractual commitments for the expenditure of Laboratory funds is held only by specifically delegated individuals.
SCOPE:	This SI applies to all transactions, including purchase orders, subcontracts, modifications, letter subcontracts, precontract cost agreements, and other contractual instruments.
DEFINITIONS:	
Procurement Manager	As used herein, the Procurement Manager is the BUS-5 Group Leader or Deputy.
Procurement Specialist	The procurement specialist is an individual who is responsible for the solicitation, negotiation, award, and administration of subcontracts. As used herein, the term refers to buyers, contract administrators, procurement assistants, and all other BUS Division employees who have been delegated formal procurement authority for the Laboratory.
Team Leader	The term "team leader" refers to the Procurement Team Leaders and staff assistants within the Procurement Group (BUS-5).
Transaction	A transaction, as used herein, is a subcontract, purchase order, supplemental agreement, modification, change order, task order, or work release.
PROCEDURES:	
General	In addition to the authorities and responsibilities specified in SP 1.2, Delegation of Procurement Authority, the following requirements apply at LANL.
Authority of Procurement Specialists	<p>Within their delegated signature authority level, procurement specialists are authorized to</p> <ul style="list-style-type: none">• Execute subcontracts, purchase orders, task orders, and work releases;• Execute modifications and change orders;• Verbally confirm the award of a subcontract or modification;• Cancel procurements of up to \$25,000;

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- Ratify unauthorized commitments of \$1,000 or less (see SI 1.3, Ratification of Unauthorized Commitments); and
- With prior approval of the procurement team leader or Procurement Manager and after receipt of all applicable reviews and approvals, verbally confirm award of a subcontract or modification exceeding his/her authority.

Conditions on Authority — The above authorizations are subject to the procurement specialist

- Seeking competition unless competing a requirement is impractical (see exceptions for small purchases in SP 13.1, Small Purchases);
- Ensuring that funds are available;
- Obtaining required reviews and/or approvals, as outlined herein or in other procedures;
- Obtaining approval from Laboratory Counsel for any agreement that is not on a standard approved document or for exception or deviation to standard Laboratory terms and conditions (see SP 52.1, Exceptions to Terms and Conditions);
- For subcontracts exceeding the small purchase threshold, ensuring that subcontracts are not awarded to contractors on the *GSA Consolidated List of Debarred, Suspended, or Ineligible Contractors* without the approval of DOE; and
- Complying with all applicable policies and procedures.

Reviewing Subcontract Submittals — All purchase requests and associated documents, such as specifications, sole-source justifications, statements of work, etc., must be reviewed for technical and contractual requirements. Although not mandatory, the procurement specialist may wish to coordinate the results of the review with his/her procurement team leader before issuing a solicitation.

Authority of Procurement Team Leaders

Reviews — The following reviews must be conducted by the procurement team leader and/or a subject-matter expert of the team leader's choice.

A review of the sufficiency of the specification and/or statement of work must be conducted for all procurement actions of \$100,000 or more.

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- A presolicitation review must be conducted for all competitive solicitations (a) in which evaluation criteria are used or (b) that exceed the procurement specialist's authority.
- A prenegotiation review must be conducted for all transactions exceeding \$500,000 that involve cost analysis, except for leases of real property or transactions utilizing previously agreed to rates and/or prices. A prenegotiation memorandum must be prepared that discusses, at a minimum,
 - The source of the cost or pricing data and documentation (see SP 15.5, Cost or Pricing Data);
 - To what extent the cost or pricing data was relied upon to develop the prenegotiation objectives;
 - The factors by which proposals were evaluated and the proposed subcontractor was selected;
 - The subcontractor's proposed cost elements;
 - The technical analysis and/or the audit position;
 - The weighted guidelines analysis, if applicable (see SP 15.10, Profit/Fee Objective);
 - The prenegotiation objectives;
 - Any exceptions taken to the specifications, statement of work, or terms and conditions; and
 - For competitive subcontracts, the source-selection process. The discussion of the source selection process should address, as appropriate, the public notice or other advertisement, the preproposal conference, the proposal evaluation process, and other pertinent information. If a separate memorandum pertaining to the above items was previously prepared, that document should be referred to. A comparison of proposals received should be provided that includes the total dollar amount proposed, name and address of each offeror, invoice terms, transportation charges, and f.o.b. point.

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Approvals — Within his/her delegated authority, the procurement team leader must approve

- All modifications that cause the original price or cost of a subcontract **exceeding the small purchase threshold** to increase 50% or more;
- All terminations or cancellations of subcontracts exceeding \$25,000;
- All ratifications of unauthorized commitments exceeding \$1,000;
- All sole-source justifications within the signature authority of the procurement specialist and within his/her own signature authority (see SI 6.2, Authority to Approve Sole-Source Justifications);
- All letter subcontracts and modifications to letter subcontracts; and
- All transactions exceeding the procurement specialist's authority.

A person acting for the team leader may only approve transactions within his/her delegated procurement authority. Transactions exceeding the acting team leader's delegated authority must be submitted to the Procurement Group Office for approval.

Authority of the Procurement Manager

Procurement Manager Approvals — The following transactions require approval by the Procurement Manager or designee

- All transactions exceeding the procurement team leader's delegated authority;
- All sole-source justifications exceeding the procurement team leader's delegated authority;
- All precontract cost agreements, regardless of the dollar value;
- All ratifications of unauthorized commitments exceeding the procurement team leader's authority (see SP 1.3, Ratification of Unauthorized Commitments);

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- All sole-source subcontracts that involve an employee-vendor relationship (see SP 3.4, Personal Conflicts of Interest);
- The use of progress payments for any subcontract (see SP 32.2, Progress Payments);
- All letter subcontracts and modifications to letter subcontracts that exceed the procurement team leader's authority;
- All terminations or cancellations exceeding the procurement team leader's authority; and
- All leases or rentals of real property that involve lease payments of \$50,000 or less per year and for a term of five years or less, including option periods.

REVIEWS/APPROVALS:

DOE

Reviews — Preaward review must be obtained from DOE for all FOCl submittals, regardless of whether a FOCl situation has been identified (see SP 4.5, Foreign Ownership, Control, or Influence).

Approvals — Preaward approval must be obtained from DOE for the following transactions.

- Subcontracts and modifications exceeding \$25 million;
- Letter subcontracts that contemplate a definitive subcontract exceeding \$25 million;
- All leases and rentals of real property;
- All intra-University transactions (IUTs) or modifications that cause the cumulative value of an IUT to exceed \$250,000 (see SP 44.1, Intra-University Transactions); and
- Any proposed award of a subcontract exceeding \$100,000 to a firm or individual on the *GSA Consolidated List of Debarred, Suspended, and Ineligible Contractors* (see SP 9.2, Debarment, Suspension, and Ineligibility).

While review and approval of the related procurement transaction is not required, DOE must also approve

- All requests for waiver of the requirement for certified cost

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- or pricing data (see SP 15.5, Cost or Pricing Data);
- All requests to waive the Buy American Act for subcontracts exceeding \$100,000 when no known domestic product can satisfy the Laboratory's requirement or when the Laboratory determines that a domestic end product is unavailable (see SP 25.1, Buy American Act); and
- Any foreign travel to be charged to the Laboratory.

University of California

The Laboratory Administration Office at the University of California must approve all leases of real property when the annual rent exceeds \$50,000 per year or the term, including option periods, exceeds five years.

RESPONSIBILITIES:

Procurement Specialist

The procurement specialist must

- Obtain all required reviews and approvals in the timeframes specified;
- Comply with all requirements of the the Standard Practices, and the Supplemental Instructions;
- Comply with the conditions specified in his/her delegation of procurement authority.

Procurement Team Leaders

Procurement team leaders must

- Conduct and document all required reviews;
- Approve transactions within their delegated authority as specified above; and
- Ensure that procurement personnel comply with all requirements of the Standard Practices, and the Supplemental Instructions.

Procurement Manager

The Procurement Manager is responsible for delegating procurement authority to procurement specialists and procurement team leaders.

REFERENCES:

Standard Practice 1.2